

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2020-263-E

Cherokee County Cogeneration)
 Partners, LLC,)
)
 Complainant,)
 v.)
)
 Duke Energy Progress, LLC and)
 Duke Energy Carolinas, LLC,)
)
 Respondent.)
)
)

AFFIDAVIT OF
MICHAEL T. KEEN

PERSONALLY appeared before me, Michael T. Keen, who first being duly sworn did states as follows:

1. My name is Michael T. Keen and I am a Business Development Manager for Duke Energy. My office is located at 299 First Avenue North, Saint Petersburg, FL 33701. I have worked for Duke Energy for 36 years in various roles including over 20 years in wholesale marketing. My responsibilities include marketing and origination of long-term capacity and energy products in Florida and the southeast. In addition, I manage a purchase power portfolio of over 4,000 MW for Duke Energy's regulated utilities.

2. This affidavit is based upon my personal knowledge and work completed related to the commercial discussions between Duke Energy Carolinas, LLC ("DEC") or Duke Energy Progress, LLC ("DEP") and Cherokee County Cogeneration Partners, LLC ("Cherokee"). I am responsible for administration of the power purchase agreement ("PPA") entered into between DEC and Cherokee in June 2012. I have also been primarily responsible for the communication

and negotiations between DEC/DEP and LS Power (Cherokee's parent company) to establish a successor PPA to the 2012 PPA, which is the subject of this proceeding.

3. I assisted our attorneys in preparing DEC's and DEP's Response to Request for Interim Relief, filed by Cherokee ("Response"). I have read the Response and verify that the information contained within the Response is accurate and true to the best of my knowledge, information, and belief.

4. Beginning in July 2018, DEC approached LS Power to discuss a successor PPA to the 2012 Cherokee PPA, which expires on December 31, 2020. Over the past 27 months, DEC and DEP have negotiated in good faith with LS Power to develop a mutually-agreeable PPA, whereby DEC would purchase the output of the Cherokee cogeneration facility ("Cherokee Facility") pursuant to PURPA at DEC's current avoided cost rates, based on the avoided cost methodology approved by the South Carolina Public Service Commission at that time. DEC and DEP have each provided their respective indicative avoided cost pricing multiple times to Cherokee, as applicable at the point in time such pricing was requested by Cherokee. DEC and DEP have been fully transparent in communicating the applicable avoided cost rates to Cherokee, and have, in good faith, fulfilled their responsibilities under PURPA. DEC first communicated its then-current avoided cost rates in October 2018 and DEP first communicated its then-current avoided cost rates in February 2019. Accordingly, LS Power has been aware for approximately two years, prior to filing its Complaint, of the avoided cost rates which DEC/DEP must pay QFs under PURPA, and that the Companies' current avoided cost rates are significantly lower than the avoided cost rates under the 2012 PPA.

5. Based on a request from Cherokee on December 4, 2020, DEC is drafting a short-term agreement with Cherokee to purchase energy from the Cherokee Facility at DEC's variable avoided energy rate, beginning January 1, 2021.

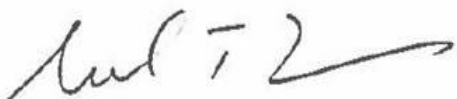
6. Based on my extensive experience negotiating similar contracts with Qualifying Facilities pursuant to PURPA over the past 20 years, I believe that DEC and DEP have engaged in meaningful discussions in good faith to provide each utility's applicable avoided cost rates, and enter into a mutually-agreeable contract to continue the sale of power from Cherokee to DEC under PURPA.

FURTHER AFFIANT SAYETH NOT.

Dated this 7th day of December, 2020.

CERTIFICATION

I, Michael T. Keen, state and attest, under penalty of perjury, that I have reviewed the foregoing Affidavit, and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal review proceeding. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment by contempt.



Name: Michael T. Keen

Title: Business Development Manager

Duke Energy Carolinas, LLC and Duke Energy Progress, LLC